

§ 751.23

(4) Pursuing the responsible party or parties vigorously.

§ 751.23 Responsibilities.

(a) *Notice of loss.* Claims office personnel must ensure that Notice of Loss or Damage, DD Form 1840R, is properly completed and dispatched to the liable third party or parties within 75 days of delivery of the property.

(b) *Counseling of claimant.* Claims office personnel should coordinate with the local personal property office to ensure proper counseling regarding potential claim procedures.

(c) *Documents.* Claims office personnel must obtain from the claimant or from the transportation office the following documents needed to process recovery actions:

(1) A copy of the GBL or other document used for shipment or storage.

(2) A copy of the inventory.

(3) A copy of the DD Form 1840 and DD Form 1840R.

(4) Where storage in transit was extended from 180 days to 270 days, a copy of the authorization from the transportation office allowing this extension at Government expense.

(5) Where storage converted from Government paid storage to storage at owner's expense, a copy of the claimant's contract with the warehouse.

(6) When necessary, a copy of DD Form 1164, Service Order for Personal Property, from the transportation office.

(7) When necessary, DD Form 619-1, Statement of Accessorial Services Performed, from the transportation office.

(d) *Carrier inspection.* Claims office personnel should inform claimants that the carrier has the right to inspect damaged goods within 75 days of delivery, or 45 days of dispatch of DD Form 1840R, whichever is later, and that damaged items must be held out for carrier inspection during that period. Essential items such as washer, dryer, television etc., may be repaired prior to that time if necessary.

(e) *Repair estimates.* Claims personnel must ensure that repair estimates describe the specific location and damage claimed and that the same damage is claimed on DD Form 1844, Schedule of Property and Claims Analysis Chart. Repair estimates that merely note

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“refinished” or “repaired” are not acceptable.

(f) *DD Form 1844.* Claims personnel must ensure that DD Form 1844 is properly completed with the nature and extent of the loss or damage to each item fully described, the correct inventory numbers supplied, and correct item weights utilized from the Military-Industry Table of Weights (when these weights are required for the code of service involved).

(g) *Demands on third parties.* Claims personnel must ensure that written demands against appropriate third parties are prepared as described in § 751.26 and § 751.27. No demand will be made where it conclusively appears that the loss or damage was caused solely by Government employees or where a demand would otherwise be clearly improper under the circumstances. If it is determined that a demand is not required, a brief written statement setting forth the basis for this determination will be included on the chronology sheet. Pursuant to the Joint Military-Industry Agreement on Claims of \$25.00 or Less, claims of \$25.00 or less will not be pursued because administrative costs outweigh recovery proceeds.

§ 751.24 Notice of loss or damage.

(a) *Exceptions.* The claimant is required to take exceptions and note any loss of damage at the time of delivery on the DD Form 1840 (Joint Statement of Loss or Damage at Delivery). Later discovered damage must be noted on the DD Form 1840R (Notice of Loss or Damage) and delivered to the claims office or Personal Property Office within 70 days of delivery. Failure to take exceptions at delivery and note and report later discovered damage will result in deduction on any lost potential carrier recovery from payment of the claim. Failure to note on the DD Form 1840 items missing at the time of delivery may result in denial of claims for those items.

(b) *DD Form 1840/1840R.* The DD Form 1840/1840R is printed in carbon sets of five with DD Form 1840 on the front side and DD Form 1840R on the reverse side. DD Form 1840/1840R is provided by the carrier to the member at delivery. Carriers were required to use this revised DD Form 1840/1840R beginning 15

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August 1988 for international shipments and 15 September 1988 for domestic shipments. This is the only document the carriers will accept for reporting loss and damage to household goods. The requirement to list all known loss and damage at the time of delivery on the DD Form 1840 is a joint responsibility of the claimant and the carrier. If the carrier fails to give the claimant a DD Form 1840 at the time of the delivery, the carrier is liable for all damage and does not have to be notified in the 75-day timeframe.

(c) *Military-Industry Memorandum of Understanding on Loss and Damage Rules.* The Military-Industry Memorandum of Understanding on Loss and Damage Rules became effective in 1985 with the implementation of the new DD Form 1840/1840R. This document should be thoroughly studied and completely understood.

§ 751.25 Types of shipments and liability involved.

(a) *Codes 1 and 2 (domestic including Alaska).* Increased released valuation, also referred to as "Basic Coverage," became effective within CONUS and Alaska on 1 April 1987 for intrastate shipments (shipments within a single State), and on 1 May 1987 for interstate shipments (shipments from one State to another). For Codes 1 and 2 shipments picked up after these dates, the carrier's released valuation (the carrier's maximum liability for loss and damage) increased from \$.60 per pound per article to \$1.25 multiplied by the net weight of the shipment (\$2.50 for shipments to and from Alaska). For Codes 1 and 2 shipments picked up prior to these dates, carrier liability remains at \$.60 per pound per article and is calculated the same as for Code 4 shipments. There are also two higher levels of coverage available in which the owner pays the difference between the basic coverage and the higher level requested: High or higher increased released valuation (Option 1) and full replacement protection (Option 2). These higher carrier released valuation rates only apply to Codes 1 and 2 shipments and they do not affect the liability of a non-temporary storage (NTS) warehouse which remains at \$50.00 per line item.

(1) *Increased Released Valuation (IRV).* IRV is the basic valuation for service Codes 1 and 2 and is fully paid by the Government. If the claimant is due additional recovery money, the words "claimant due carrier recovery" must be added on the claims file to ensure the recovered amount is provided to the claimant if eligible. IRV is not reflected on the GBL by an special language. For Codes 1 and 2 shipments picked up after the effective dates mentioned above, the carrier's released valuation is \$1.25 multiplied by the net weight of the shipment (\$2.50 multiplied times the net weight of the shipment for shipments to and from Alaska). For example, if the weight of an IRV shipment moved from Kansas to New York is 10,000 pounds, the most the carrier could be held liable for would be \$12,500 (10,000 pounds times \$1.25=\$12,500). If the same shipment was moved from Alaska to New York, the maximum carrier liability would instead be \$25,000 (10,000 pounds times \$2.50=\$25,000).

(2) *Higher Increased Released Valuation (Option 1).* This type of coverage may be purchased by an owner who desires protection for items whose value exceeds a maximum allowance or for a shipment whose value exceeds the statutory maximum. If the claimant is due additional recovery money, the words "claimant due carrier recovery" must be added in the claims file. Option 1 must be annotated on the original GBL. A GBL correction notice is acceptable only if the carrier or his agent has notice of the correction before pick-up. Option 1 may be listed in block 27 or block 30 either as a lump sum, such as "Option 1—\$30,000," or as a multiple, such as "Option 1—\$3.00 times the net weight." The carrier's maximum liability is whatever higher valuation the claimant places on the shipment. For example: The owner of a 10,000 pound shipment requests Option 1 coverage of \$30,000.00 and has this listed on the GBL. The carrier's maximum liability is \$30,000.00. Under basic coverage, the carrier's maximum liability for this shipment would only be \$12,500.00. The claimant must initially file a claim with the carrier. The Government will only accept a claim if the carrier denies the claim, if delay would